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No. 111 Original

In The

Supreme Court Of The United States

OCTOBER TERM, 1988

STATE OF DELAWARE, Plaintiff

STATE OF TEXAS, Plaintiff in Intervention

v.

STATE OF NEW YORK, Defendant

MOTION OF THE STATE OF CONNECTICUT FOR LEAVE TO INTERVENE

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Pursuant to Rule 9 of the Rules of the Supreme Court, the State of Connecticut, a sovereign state of the United States of America, by and through Acting Attorney General Clarine Nardi Riddle, moves the Court for an order permitting it to intervene in the above-entitled cause, and permitting it to adopt, to the extent appropriate, the Complaint in Intervention and Brief in Support of Motion for Leave to File heretofore filed by the State of Texas, Plaintiff in Intervention. In support of this motion, the State of Connecticut would show the Court as follows:

I.

1. On or about May 31, 1988, the Court granted the Motion of Plaintiff State of Delaware ("Delaware") for leave to file a complaint invoking the original jurisdiction of the Court to resolve a controversy between Delaware and Defendant State of New York ("New York") as to which state is entitled to claim and take possession of certain unclaimed intangible personal property, consisting of moneys and other intangible property ("Excess Receipts"),[1] held or formerly held by securities brokerage houses incorporated in Delaware and demanded by or remitted to New York.

2. On December 12, 1988, Thomas Jackson, Esquire, was appointed Special Master in this case.

3. On or about February 21, 1989, the Court granted the Motion of Plaintiff in Intervention State of Texas ("Texas") to intervene and file its Complaint in Intervention in this case.

4. As set forth in detail in its Complaint, Texas claims a portion of the Excess Receipts which constitute the subject matter of the original controversy between Delaware and New York, specifically, that portion of Excess Receipts held or formerly held by securities brokerage houses incorporated in Delaware which are attributable to Issuers incorporated in Texas.

5. Texas also claims the right to take custodial possession of certain additional excess receipts, consisting of excess receipts attributable to Issuers incorporated in Texas held or formerly held by the Depository Trust Company and excess receipts which have arisen in connection with Distributions made by Texas municipal and other governmental Issuers ("Additional Excess Receipts") which are now being demanded by or remitted to New York. It is the understanding

[1] In its Complaint in Intervention, Texas has defined certain terms. The State of Connecticut incorporates those definitions herein by reference.

of the State of Connecticut ("Connecticut") that the Court intends to consider claims to both the Excess Receipts originally at issue and the Additional Excess Receipts identified by Texas.

6. Texas claims a portion of the Excess Receipts and the Additional Excess Receipts for the reason that they constitute a debt owed by the Issuer to the securities' Beneficial Owner. If the identity of the Beneficial Owner is unknown, the Excess Receipts and Additional Excess Receipts should be remitted to the state of incorporation of the Issuer under the state's unclaimed property law.

7. Connecticut claims a portion of the Excess Receipts and Additional Excess Receipts at issue in this action, specifically, that portion of the Excess Receipts and Additional Excess Receipts attributable to Issuers incorporated in the State of Connecticut and that portion attributable to Connecticut municipalities and other governmental entities.

8. The amount of Excess Receipts and Additional Excess Receipts that Connecticut is entitled to claim is presently unknown. Connecticut has never, prior to this lawsuit, had any reason to identify and quantify such Excess Receipts and Additional Excess Receipts. However, it is probable that at least one Issuer incorporated in Connecticut has generated Excess Receipts and Additional Excess Receipts. Moreover, it is a virtual certainty that bonds issued by Connecticut municipalities and other governmental entities have generated Additional Excess Receipts subject to the claim of Connecticut.

9. Connecticut asserts its claim pursuant to Conn. Gen. Stat. § 3-56 (1989) *et seq.*, which provides, in essence, for the custodial taking of abandoned or unclaimed tangible or intangible personal property when the existence and location of the owner of the property is unknown to the holder of the property and no claim to said property has been asserted within the applicable dormancy period, which for most types

of personal property is three years. Connecticut's escheats law is set forth in Exhibit A to Connecticut's Motion for Leave to Intervene.

10. Connecticut supports and adopts as if fully set forth by Connecticut in its own pleadings Texas' Complaint in Intervention and Brief in Support of Motion for Leave to File, and the factual and legal arguments set forth therein, to the extent same are applicable and relevant to the claims of Connecticut set forth in Paragraph 7 above.

11. Although Connecticut adopts the Complaint in Intervention filed by Texas, it is essential that Connecticut be permitted to intervene in its own right in this proceeding. The decision of the Court will establish a rule of law which will conclusively determine the future right of Connecticut to claim and take possession of unclaimed property similar or identical in nature to the Excess Receipts and Additional Excess Receipts at issue herein. Additionally, if Connecticut is to establish its claim and right to take custodial possession of a portion of the property presently at issue, it must have access to the discovery process in order to identify those Excess Receipts and Additional Excess Receipts attributable to Issuers incorporated in Connecticut. As a party, Connecticut can obtain a ruling from the Court recognizing its right to take possession of specific unclaimed property pursuant to its individual unclaimed property laws and ordering New York to tender such property to Connecticut.

12. Based on the foregoing, Connecticut is entitled to intervene as a matter of right pursuant to Rule 24(a)(2), Federal Rules of Civil Procedure. Alternatively, Connecticut urges the Court to exercise its discretion and grant the requested intervention pursuant to Rule 24(b), Federal Rules of Civil Procedure.

13. The intervention of Connecticut in this action will not unduly delay these proceedings or prejudice the adjudication of the rights of the present parties. To the extent that

it can do so, Texas has offered to serve as lead counsel for those states, including Connecticut, wishing to intervene and represent themselves in this case. The addition of Connecticut as a Plaintiff in Intervention will not result, therefore, in an unmanageable increase in the number of parties to this litigation.

14. The Court, in *Western Union Telegraph Company v. Pennsylvania*, 368 U.S. 71 (1961), recognized the difficulties inherent in resolving controversies between different states over their respective rights to claim and take possession of unclaimed intangible personal property, and concluded that the United States Supreme Court was the appropriate forum in which "all the states that want to do so can present their claims for consideration and final, authoritative determination." *Id.* at 79. See, also, *Pennsylvania v. New York*, 407 U.S. 206 (1972). It is such an opportunity to present its claim that Connecticut seeks by urging this Court to grant leave to intervene herein.

Wherefore, Connecticut prays that it be permitted to intervene as a party plaintiff in this case, and to adopt, as its own and as if fully set forth by Connecticut in its own pleadings, Texas' Complaint in Intervention and Brief in Support of the Motion for Leave to File, and the factual and legal arguments set forth therein, to the extent same are relevant and applicable to the claims of Connecticut; alternatively, Connecticut prays that it be permitted to file its own Complaint in Intervention setting forth the factual and legal arguments asserted by Texas in its Complaint and seeking, on behalf of Connecticut, relief of the same nature as Texas.

Respectfully submitted,

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APPENDIX
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TITLE 3. STATE ELECTIVE OFFICERS
CHAPTER 32. TREASURER
PART III. ESCHEATS

Sec. 3-56. Definitions. Section 3-56 is repealed.

Sec. 3-56a. Definitions. As used in this part, unless the context otherwise requires: "Apparent owner" means the person whose name appears on the records of the holder as the person entitled to the property held, issued or owing by the holder; "banking organization" means any state bank and trust company, national banking association or savings bank engaged in business in this state; "business association" means any private corporation, joint stock company, business trust, partnership or any association for business purposes of two or more individuals; "financial organization" means any savings and loan association, credit union or investment company; "holder" means any person in possession of property subject to this part which belongs to another, or who is trustee in case of a trust, or who is indebted to another on an obligation subject to this part; "last-known address" means a description of the location of the apparent owner sufficient for the purpose of delivery of mail; "life insurance corporation" means any association or corporation transacting the business of insurance on the lives of persons or insurance appertaining thereto, including, but not limited to, endowments and annuities; "owner" means a depositor in case of a deposit, a beneficiary in case of a trust, a creditor, claimant or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this part, or his legal representative; "person" means any individual, business association, government or political subdivision, public corporation, public authority, estate, trust, two or more persons having a joint or common interest, or any other legal or commercial entity; "property" means realty or personalty, tangible or intangible; and "treasurer" means the treasurer of the state of Connecticut.

Sec. 3-57. Escheat of property unclaimed or unused for seven years. Section 3-57 is repealed.

Sec. 3-57a. Property held by banking organization presumed abandoned, when. The following property held or owing by a banking or financial organization is presumed abandoned unless the owner thereof is known to be living by an officer of such organization:

(1) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding any charges that lawfully may be withheld, unless the owner has, within ten years: (A) Increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or (B) corresponded in writing with the banking organization concerning the deposit; or (C) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization.

(2) Any funds paid in this state toward the purchase of shares or other interest in a financial organization or any deposit made therewith, and any interest or dividends thereon, excluding any charges that lawfully may be withheld, unless the owner has within ten years: (A) Increased or decreased the amount of the investment or deposit, or presented an appropriate record for the crediting of interest or dividends thereon; or (B) corresponded in writing with the financial organization concerning the investment or deposit; or (C) otherwise indicated an interest in the funds as evidenced by a memorandum on file with the financial organization.

(3) Any sum payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization is directly liable, including, by way of illustration but not of limitation, certificates of

deposit, money orders, drafts and traveler's checks, which, with the exception of traveler's checks, has been outstanding for more than five years from the date payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, which has been outstanding for more than fifteen years from the date of issuance, unless the owner has within such five or fifteen years, as the case may be, corresponded in writing with the banking or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization.

(4) Any funds or other personal property reposing in or removed from a safe deposit box or any other safekeeping repository in this state on which the lease or rental period has expired owing to nonpayment of rent or other reason, or any surplus amounts arising from the sale thereof pursuant to law, excluding any charges that lawfully may be withheld, which have been unclaimed by the owner for more than ten years from the date on which the lease or rental period expired.

Sec. 3-58. Sale of escheated property. Section 3-58 is repealed.

Sec. 3-58a. Funds held by life insurance corporation presumed abandoned, when. (a) Unclaimed funds held and owing by a life insurance corporation shall be presumed abandoned if a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation. If it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last-known address of the person entitled to the funds is the same as the last-known address of the insured or annuitant according to the records of the corporation.

(b) As used in this section, "unclaimed funds" means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than five years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured or terminated. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding five years (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 3-59. Petition in case of interest in escheated property. Appeal. Section 3-59 is repealed.

Sec. 3-59a. Property held by a business association presumed abandoned, when. (a) Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal or other sum held or owing by a business association for or to a shareholder, certificate holder, member, bondholder or other security holder, or a participating patron of a cooperative, who has not claimed it or corresponded in writing with the business association concerning it within seven years after the date prescribed for payment or delivery, is presumed abandoned.

(b) Any sum payable on a traveler's check issued or sold in this state on which a business association is directly liable, which has been outstanding for more than fifteen years from

the date of its issuance is presumed abandoned, unless the owner has within fifteen years corresponded in writing with the business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with such business association.

Sec. 3-59b. Ownership interest in business association presumed abandoned, when. Any ownership interest in a business association, as defined in section 3-56a, as evidenced by the stock records or membership records of the business association, owned by a person who for more than seven years has neither claimed a dividend or other sum referred to in section 3-59a, nor corresponded in writing with the association, nor otherwise indicated an interest in such ownership interest as evidenced by a memorandum or other record on file with the association, is presumed abandoned.

Sec. 3-59c. Duties of holder of abandoned interests in business associations. When the property to be delivered to the treasurer pursuant to the provisions of section 3-56a is an ownership interest in a business association presumed abandoned under section 3-59b, the holder shall deliver a duplicate certificate of such interest, registered in the name of the treasurer, to the treasurer if such a certificate is the customary evidence of such interest and, if the ownership interest is not customarily evidenced by a certificate, the holder shall deliver such evidence of such ownership interest as the treasurer may by regulation require.

Sec. 3-59d. Delivery of duplicate certificate to treasurer. Holder relieved of liability to others upon such delivery. Upon delivery of a duplicate certificate, the holder and any transfer agent, registrar or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate shall be relieved of all liability of every kind in accordance with the provisions of subsection (c) of section

3-67a to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the transferee, for any losses or damages resulting to any person by the issuance and delivery to the treasurer of the duplicate certificate.

Sec. 3-60. Examination of witnesses. Section 3-60 is repealed.

Sec. 3-60a. Property distributable on dissolution of business presumed abandoned, when. Notice to shareholder of corporate dissolution or liquidation. (a) All property distributable in the course of a voluntary or involuntary dissolution or liquidation of an unincorporated business, banking or financial organization created under the laws of this state which is unclaimed by the owner at the date of final dissolution or liquidation is presumed abandoned.

(b) All property distributable in the course of a voluntary or involuntary dissolution or liquidation of a corporation pursuant to the provisions of title 33 which is unclaimed by the owner at the date of final dissolution or liquidation is presumed abandoned.

(c) Notice given by certified or registered mail to any shareholder of a corporation voluntarily or involuntarily dissolved or liquidated during the course of such dissolution or liquidation shall be deemed to be sufficient notice under the provisions of this part.

Sec. 3-61. Action against custodian of property. Section 3-61 is repealed.

Sec. 3-61a. Property held by fiduciary presumed abandoned, when. All property and any income or increment thereon held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within seven years after it became payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing with the fiduciary concerning the property or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary.

Sec. 3-62. Application of provisions. Section 3-62 is repealed.

Sec. 3-62a. Property held by public body or officer presumed abandoned, when. All property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, which has remained unclaimed by the owner for more than five years is presumed abandoned, except that any claim granted pursuant to chapter 53 in an amount less than three thousand dollars which has remained unclaimed by the owner for more than one year from the date such claim was granted is presumed abandoned.

Sec. 3-62b. Property held by federal court or agency presumed abandoned, when. All property within the provisions of subdivisions (1), (2), (3), (4) and (5) of this section are declared to have escheated, or to escheat, including all principal and interest accruing thereon, and to be the property of the state.

(1) All money or other property which has remained in, or has been deposited in the custody of, or under the control of, any court of the United States, in and for any district within this state, or which has been deposited with and is in the custody of any depository, registry, clerk or other officer

of such court, or the United States Treasury, the rightful owner or owners of which either: (A) Have been unknown for a period of five or more consecutive years; or (B) have died, without having disposed thereof, and without having left heirs, next of kin or distributees; or (C) have made no demand for such money or other property for five years; is declared to have escheated, or to escheat, together with all interest thereon, and to be the property of the state.

(2) After October 1, 1969, all money or other property which has remained in, or has been deposited in the custody of, or under the control of, any court of the United States, in and for any district within this state, for a period of four years, the rightful owner or owners of which, either: (A) Have been unknown for a period of four years; or (B) have died without having disposed thereof, and without having left heirs, next of kin or distributees; or (C) have failed within four years to demand the payment or delivery of such funds or other property; is declared to have escheated, or to escheat, together with all interest accrued thereon, and to be the property of the state.

(3) All money or other property which has remained in, or has been deposited in the custody of, or under the control of any officer, department or agency of the United States for five or more consecutive years, which money or other property had its situs or source in this state, except as hereinafter provided in subdivision (4) of this section, the sender of which is unknown, or who sent the money or other property for an unknown purpose, or money which is credited as "unknown," and which such government office, department or agency is unable to credit to any particular account, or the sender of which has been unknown for a period of five or more consecutive years, or, if known, has died without having disposed thereof, and without leaving heirs, next of kin or distributees, or which for any reason is unclaimed from such governmental agency, is declared to have escheated, or to escheat, together with all interest accrued thereon, and to be the property of the state.

(4) If any money is due to any resident of this state as a refund, rebate or tax rebate from the United States Commissioner of Internal Revenue, the United States Treasurer or any other federal agency or department and the rights of such resident to apply for and secure such refund or rebate will or may be barred by any statute of limitations or, in any event, if such resident has failed to apply for such refund or rebate for a period of one year after he could have so applied, the state treasurer is appointed agent of such resident to apply for such refund or rebate, and may do any act which a natural person could do to recover such money, and when the treasurer files such application or institutes any other proceeding to secure such refund or rebate, his agency is coupled with an interest in the money sought and money recovered.

(5) Sections 3-62b to 3-62g, inclusive, are applicable to all funds or other property in the possession of the government of the United States, and of its departments, officers and agencies, which property has its situs in this state or which belonged or belongs to a resident of this state or which belonged or belongs to a person whose last-known address was within this state, and is not limited to any named federal agency. Said sections are applicable to all funds held in the Veterans' Administration, Comptroller of Currency, United States Treasury, Department of Internal Revenue, Post Office Department, federal courts and registry of federal courts, and to such evidences of indebtedness as adjusted service bonds, matured debts issued prior to 1917, together with interest thereon, postal savings bonds, liberty bonds, victory notes, Treasury bonds, Treasury notes, certificates of indebtedness, Treasury bills, Treasurer's savings certificates, bonuses and adjusted compensation, allotments, postal savings certificates, Farmers Home Administration notes, and all unclaimed refunds or rebates of whatever kind or nature, which are subjects of escheat, under the terms of said sections; provided nothing in said sections shall be construed to mean that any funds held or controlled by the United States on October 1, 1969, under order of any court of the United States shall become property of the state.

Sec. 3-62c. Proceedings to recover property. (a) When there exists, or may exist escheated funds or property under sections 3-62b to 3-62g, inclusive, the treasurer shall make demand therefor or request the attorney general to institute proceedings in the name of the state for an adjudication that an escheat to the state of such funds or property has occurred; and shall take appropriate action to recover such funds or property.

(b) Where there exists, or may exist, escheated funds or property under said sections, the treasurer may request that any officer, department or agency of the United States voluntarily report such information as may be necessary to claim such funds or property under said sections. Forms for so reporting may be prescribed by the treasurer. If any officer, department or agency of the United States fails or refuses to provide the voluntary report so requested, the treasurer shall request that the attorney general institute proceedings in the name of the state to obtain the required information.

Sec. 3-62d. Action to obtain decree of escheat. Whenever the treasurer is of the opinion that an escheat has occurred, or shall occur, of any money or other property deposited in the custody of, or under the control of, any court of the United States, in and for any district within the state, or in the custody of any depository, registry or clerk or other officer of such court, or the Treasury of the United States, he may request that the attorney general cause a complaint to be filed in the superior court for the judicial district of Hartford-New Britain, or in any other court of competent jurisdiction, to ascertain if any escheat has occurred, and to cause said court to enter a judgment or decree of escheat in favor of the state, with costs, disbursements and attorneys' fees. Notice of the filing of any such action may be given to interested persons by publication of a notice to be published at least once a week for two successive weeks in a newspaper of general circulation in the county in which is located the last-known address of any such interested person or, if unknown, in a newspaper of general circulation in the judicial district of Hartford-New Britain.

Sec. 3-62e. Treasurer to pay costs and deposit funds into general fund. When any funds or property which have escheated under sections 3-62b to 3-62g, inclusive, have been recovered by the treasurer, he shall pay all costs incident to the collection and recovery of such funds and property and shall promptly deposit the balance of such funds or property into the general fund for the use of the state.

Sec. 3-62f. Claim for return of escheated property. (a) Any person who claims any property, funds or money delivered to the state treasurer under sections 3-62b to 3-62g, inclusive, shall, within five years from the date of receipt of such property, funds or money by the treasurer, file a verified claim with the treasurer, setting forth the facts upon which such party claims to be entitled to recover such money or property. All claims made for recovery of property, funds or money, not filed within five years from the date such property, funds or money is received by the state treasurer, shall be forever barred, and said treasurer shall be without power to consider or determine any claims so made by any claimant after five years from the date that the property, funds or money was received by the state treasurer.

(b) The treasurer shall consider each claim within ninety days after it is filed. He may hold hearings on any claim and he may refer any claim to the claims commissioner, who shall hold hearings thereon and promptly return his recommendations for payment or rejection thereof. The treasurer shall deliver his decision in writing on each claim heard, with a finding of fact and a statement of the reasons for his decision. No claim under this section shall be allowed except upon written approval of the attorney general. The treasurer shall pay each claim allowed from the general fund, without deduction for costs or service charges. He shall notify the commissioner of revenue services of the payment of claims of five hundred dollars or more to the domiciliary administrator or executor of a deceased owner.

(c) Any person aggrieved by a decision of the state treasurer may appeal therefrom in accordance with the provisions of section 4-183, except venue for such appeal shall be in the judicial district of Hartford-New Britain. If an appeal is taken without probable cause, the court may tax double or triple costs against the appellant, as the case demands.

Sec. 3-62g. Liability of state. Upon the payment or delivery of money or other property to the treasurer under sections 3-62b to 3-62g, inclusive, the state shall assume custody and shall be responsible for all claims thereto. If, after payment or delivery to the treasurer, any officer, department or agency of the federal government is compelled by a court of competent jurisdiction to make a second payment, the treasurer, upon proof thereof, shall refund the amount of such second payment not in excess of the amount paid over to him under said sections, provided the federal government shall give notice to the treasurer of the pendency of any such proceeding seeking payment of funds already turned over to the treasurer.

Sec. 3-63. Notice of inactive bank accounts. Index. Interest. Escheat. Section 3-63 is repealed.

Sec. 3-63a. Property in decedent's estate presumed abandoned, when. Any property of a deceased person which remains unclaimed by the person or persons entitled thereto for five years after the settlement of the estate is presumed abandoned; provided all claims of interest in such property shall remain subject to the further order of the probate court during the period limited by section 3-70a.

Sec. 3-64. Escheating of trust funds held by the treasurer. Section 3-64 is repealed.

Sec. 3-64a. Property presumed abandoned generally. All property not otherwise provided for or excluded from this part, including any income, interest or other increment thereto and deducting any lawful charges, which is held or owing in this state and has remained unclaimed by the owner for more than three years after it became due, payable or distributable, is presumed abandoned.

Sec. 3-65. Conversion of escheated property into cash. Section 3-65 is repealed.

Sec. 3-65a. Duties of holder of abandoned property. (a) Within one year before a presumption of abandonment is to take effect in respect to any property and if the owner's claim is not barred by law, the holder shall notify the owner thereof, by first class mail directed to the owner's last-known address, that evidence of interest must be indicated as required by this part or such property will be transferred to the treasurer and will be subject to escheat to the state.

(b) Within ninety days after the close of the calendar year in which property is presumed abandoned, the holder shall pay or deliver such property to the treasurer and file, on forms which the treasurer shall provide, a report of unclaimed property. Each report shall be verified and shall include: (1) The name, if known, and last-known address, if any, of each person appearing to be the owner of such property; (2) in case of unclaimed funds of life insurance corporations, the full name of the insured or annuitant and beneficiary and his last-known address appearing on the life insurance corporation's records; (3) the nature and identifying number, if any, or description of the property and the amount appearing from the records to be due except that the holder shall report in the aggregate items having a value of twenty-five dollars or less; (4) the date when the property became payable, demandable or returnable and the date of the last transaction with the owner with respect to the property; (5) if the holder is a

successor to other holders, or if he has changed his name, all prior known names and addresses of each holder of the property, and (6) such other information as the treasurer may require.

(c) Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private corporation, by an officer; and if made by a public corporation, by its chief fiscal officer.

(d) The treasurer shall keep a permanent record of all reports submitted to him.

(e) No owner shall be entitled to any interest, income or other increment which may accrue to property presumed abandoned from and after the date of payment or delivery to the treasurer.

(f) The treasurer may decline to receive any property the value of which is less than the cost of giving notice or holding sale, or he may postpone taking possession until a sufficient sum accumulates.

(g) The treasurer, or any officer or agency designated by him, may examine any person on oath or affirmation, or the records of any person, who he has reason to believe has knowledge of or has failed to report or transmit property presumed abandoned. The treasurer may bring an action in a court of appropriate jurisdiction to enforce the provisions of this part.

(h) Upon request of the holder, the treasurer may approve the aggregate reporting on an estimated basis of two hundred or more items in each of one or more categories of unclaimed funds whenever it appears to him that each of the items in any such category has a value of more than ten dollars but less than twenty-five dollars and the cost of reporting such items would be disproportionate to the amounts involved. Any holder electing to so report any such category in the aggregate shall assume responsibility for any valid claim presented within twenty years after the year in which the items in such category are presumed abandoned.

Sec. 3-65b. Assessment of interest penalty for failure to report or deliver abandoned property as required. Any person who fails to report or deliver abandoned property within the time prescribed by this part shall pay interest to the treasurer on such property or the value thereof at the rate of fifteen per cent per annum from the date such property should have been reported or delivered or December 22, 1981, whichever is later. The treasurer upon a showing of a good faith effort to comply with this part, may waive the interest prescribed in this section.

Sec. 3-66. Escheat of unclaimed life insurance company funds. Definition. Section 3-66 is repealed.

Sec. 3-66a. Notice by treasurer. (a) On July first each year, or as soon thereafter as practicable, the treasurer shall cause notice to be published of all property having a value of twenty-five dollars or more reported and transferred to him which was presumed abandoned during the preceding calendar year. Such notice shall be published at least once in a newspaper having general circulation in each county in which is located the last-known address of each person appearing to be the owner of such property. If no address is listed, or if the address is not within this state, notice shall be published in a county in which the holder has his principal place of business.

(b) Such notice shall be entitled "Notice of Names of Persons Appearing to Own Abandoned Property" and it shall contain: (1) The names, in alphabetical order, and the last-known addresses, if any, of all persons reported as the apparent owners of unclaimed property and (2) a statement that any person possessing an interest in such property may obtain from the treasurer information concerning the amount and description of such property and the name and address of the holder thereof.

(c) The treasurer may insert in any such notice such additional information as he deems necessary for the proper administration of this part.

(d) The provisions of this section shall not apply to items reported in the aggregate pursuant to subsection (h) of section 3-65a.

Sec. 3-66b. Unclaimed intangible property. Conditions raising presumption of abandonment. Intangible property is subject to the custody of the state as unclaimed property if the conditions raising a presumption of abandonment under section 3-57a, 3-58a, 3-59a, 3-59b, 3-61a or 3-64a are satisfied and:

(1) The last-known address of the apparent owner, as shown on the records of the holder, is in this state;

(2) The records of the holder do not include the name of the person entitled to the property and it is established that the last-known address of such person is in this state;

(3) The records of the holder do not reflect the last-known address of the apparent owner, and it is established that (A) the last-known address of the person entitled to the property is in this state, or (B) the holder is a domiciliary or a governmental subdivision or agency of this state and has not previously paid or delivered the property to the state of the last-known address of the apparent owner or other person entitled to the property;

(4) The last-known address of the apparent owner, as shown on the records of the holder, is in a state that does not provide by law for the escheat or custodial taking of the property or the escheat or unclaimed property law of which is not applicable to the property and the holder is a domiciliary or a governmental subdivision or agency of this state;

(5) The last-known address of the apparent owner, as shown on the records of the holder, is in a foreign nation and the holder is a domiciliary or a governmental subdivision or agency of this state; or

(6) The transaction out of which the property arose occurred in this state and (A)(i) the last-known address of the apparent owner or other person entitled to the property is unknown, or (ii) the last-known address of the apparent owner or other person entitled to the property is in a state that does not provide by law for the escheat or custodial taking of the property or the escheat or unclaimed property law of which is not applicable to the property, and (B) the holder is a domiciliary of a state that does not provide by law for the escheat or custodial taking of the property or the escheat or unclaimed property law of which is not applicable to the property.

Sec. 3-67. When funds escheat. Section 3-67 is repealed.

Sec. 3-67a. State responsibility for property. Reimbursement of prior holder for payment to holder. Reimbursement of holder compelled to register transfer of original certificate. (a) Upon payment or delivery of property presumed abandoned to the treasurer, the state shall assume custody and, except as otherwise provided in subsection (h) of section 3-65a, shall be responsible for all claims thereto. If, after payment or delivery to the treasurer, any holder is compelled by authority of another jurisdiction to make a second payment, the treasurer, upon proof thereof, shall refund to the holder the amount of such second payment not in excess of the amount paid or realized under the provisions of this part.

(b) Any holder who, having transmitted unclaimed property to the treasurer, makes payment therefor within the time limited by subsection (a) of section 3-70a to any person appearing to be the owner shall be reimbursed by the treasurer upon proof of payment and upon proof that the payee was entitled thereto.

(c) Whenever any property other than money is paid or delivered to the treasurer under this part, the treasurer upon receipt shall credit to the owner's account any dividends, interest or other increments realized or accruing on the property at or before liquidation or conversion thereof into money.

(d) Any person who pays or delivers to the treasurer, in good faith, property presumed abandoned pursuant to section 3-59b shall be relieved of liability, to the extent of the value of the property so paid or delivered, for any claim then existing or which thereafter may arise or be made in respect to the property. For the purposes of this section "good faith" means that payment or delivery was made in a reasonable attempt to comply with this part, that the person making payment or delivery of the property had a reasonable basis for believing, based on the facts as they were known to him, that the property was abandoned for the purposes of this part; and there is no showing that the records pursuant to which the payment or delivery was made did not meet reasonable standards of practice in the industry.

(e) If such person pays or delivers property to the treasurer, in good faith, property presumed abandoned pursuant to section 3-59b and thereafter any other person claims the property from the person so paying or delivering or another state claims the property under its laws relating to escheat or abandoned or unclaimed property, the treasurer, upon written notice of the claim, shall defend the person who paid or delivered such property against the claim and indemnify him against any liability on the claim.

Sec. 3-68. Report of unclaimed funds. Section 3-68 is repealed.

Sec. 3-68a. Sale of property by treasurer. (a) All unclaimed property, other than money, delivered to the

treasurer under this part shall, at his discretion, be sold by him to the highest bidder at public sale in whatever locality of the state in his judgment affords the most favorable market. The treasurer may decline the highest bid at any such sale and reoffer the property at a later sale if he considers the bid insufficient. He may dispose of any such property by private sale if, in his opinion, the probable cost of public sale will exceed the value of the property. The provisions of this subsection shall not apply to securities for which there is an established market and the treasurer shall sell such securities in the manner customary in that market.

(b) Any ownership interest in a business association for which there is no established market shall be sold at not less than its fair value. The business association shall have the first right to purchase such interest. Such business association may require the treasurer to appoint not more than three independent appraisers to determine the fair value of such interest. The cost of such appraisal shall be borne by the business association requesting the same. The treasurer shall not be obligated to appoint the appraisers unless such business association requesting the appraisal deposits with the treasurer an amount equivalent to the cost of the appraisal as estimated by the treasurer. After transfer to the treasurer in accordance with the provisions of this section and sections 3-59c, 3-59d, 3-67a and 3-73a, the ownership interest so transferred shall remain subject to all limitations on transfer however imposed. Nothing herein shall alter or affect any other provisions limiting the purchase by a business association of its own ownership interests.

(c) Each sale held under this section other than a sale of a security in an established market shall be upon notice published once, at least two weeks in advance of the sale, in a newspaper of general circulation in the town at which the property is to be sold.

(d) Purchasers at such sales shall receive title to the property purchased, free from all claims of owners or prior holders and of all persons claiming through or under them. The treasurer shall execute all documents necessary to complete transfer of title. The treasurer shall proceed with the liquidation of property not earlier than one year after its delivery to him except that property presumed abandoned pursuant to section 3-59b shall not be liquidated earlier than three years after it was delivered unless the treasurer finds that it is in the best interests of the state to do so. If the treasurer sells any securities delivered pursuant to said section 3-59b before the expiration of such three-year period, any person making a claim pursuant to this part before the end of the three-year period is entitled to either the proceeds of the sale of the securities or the market value of the securities at the time the claim is made, whichever amount is greater. A person making a claim under this part after the expiration of such period is entitled to receive either the securities delivered to the treasurer by the holder, if they still remain in the possession of the treasurer, or the proceeds received from sale, but no person has any claim under this part against the state, the holder, any transfer agent, registrar or other person acting for or on behalf of a holder for any appreciation in the value of the property occurring after the delivery by the holder to the treasurer.

Sec. 3-69. Notice. Section 3-69 is repealed.

Sec. 3-69a. Disposition of funds by treasurer. All funds received under this part, including the proceeds from the sale of property, shall be deposited in the general fund; except that the treasurer shall retain in a separate fund twenty-five thousand dollars or an amount equal to seven per cent of the gross receipts of the previous fiscal year, whichever amount is greater, which he may deposit in any bank or trust company in which state funds may be deposited, from which he shall pay all claims allowed as hereinafter provided. If at any time

said fund is insufficient for such purpose, the governor, with the advice and consent of the finance advisory committee, may add thereto from the unappropriated resources of the general fund the amount estimated to be required to make up such deficiency.

Sec. 3-70. Payment to treasurer. Section 3-70 is repealed.

Sec. 3-70a. Claims for abandoned property. (a) Any person claiming an interest in property surrendered to the treasurer under the provisions of this part may claim such property, or the proceeds from the sale thereof, at any time thereafter.

(b) The treasurer shall consider each claim within ninety days after it is filed. He may hold hearings on any claim and he may refer any claim to the claims commissioner, who shall hold hearings thereon and promptly return his recommendations for the payment or rejection thereof. The treasurer shall deliver his decision in writing on each claim heard, with a finding of fact and a statement of the reasons for his decision. No agreement to locate property entered into within two years after the date a report of unclaimed property is filed under section 3-65a shall be valid if, pursuant to such agreement, any person undertakes to locate property included in that report for a fee or other compensation exceeding twenty per cent of the value of the recoverable property. Such an agreement shall be valid only if it is in writing, signed by the owner, and discloses the nature and value of the property, and the owner's share after the fee or compensation has been subtracted is clearly stipulated. Such fee or compensation shall not exceed fifty per cent at any time. Nothing in this section shall be construed to prevent an owner from asserting, at any time, that any agreement to locate property is based upon excessive or unjust consideration.

(c) No claim to property presumed abandoned under sections 3-61a and 3-62a shall be allowed except upon written approval of the attorney general.

(d) The treasurer shall pay each claim allowed without deduction for costs of notices or sale or for service charges. He shall notify the commissioner of revenue services of the payment of claims of five hundred dollars or more to the domiciliary administrator or executor of a deceased owner.

Sec. 3-71. State to assume custody and liability. Section 3-71 is repealed.

Sec. 3-71a. Appeals. Any person aggrieved by a decision of the state treasurer may appeal therefrom in accordance with the provisions of section 4-183, except venue for such appeal shall be in the judicial district of Hartford-New Britain. If an appeal is taken without probable cause, the court may tax double or triple costs against the appellant, as the case demands.

Sec. 3-72. Funds to be paid to general fund and special trust fund. Section 3-72 is repealed.

Sec. 3-72a. Escheat proceedings. (a) Within ninety days after the close of the twentieth calendar year after the year in which any property is presumed abandoned, and no claim therefor having been made and established by any person entitled thereto, the treasurer shall apply to the superior court for the judicial district of Hartford-New Britain for a determination that such property shall escheat to the state.

(b) Such action shall be deemed an action in rem and it shall be commenced in the manner provided by law and by the rules of the superior court for the commencement of civil

actions. The complaint shall state the name and last-known address of each owner of property other than unclaimed funds reported in the aggregate pursuant to subsection (h) of section 3-65a, a description of the property, the name and address of the holder who transferred such property to the treasurer, the amount or value of the property and, if any funds were derived from the sale of property, the date and place of such sale.

(c) At the time such action is commenced, the treasurer shall cause notice thereof to be published once each week for two successive weeks in a newspaper having general circulation in each county in which is located the last-known address of each person listed as an owner in the complaint. Such notice shall be notice to all owners, their heirs, next-of-kin, assigns or other persons in interest to appear and present their claims to the treasurer within ninety days after the last day of publication thereof. Such notice shall be in form substantially as follows:

(Caption)

IN THE MATTER OF THE ESCHEAT OF ABANDONED PROPERTY HELD BY THE TREASURER OF THE STATE OF CONNECTICUT	))))	NOTICE

TO THE FOLLOWING OWNERS, THEIR HEIRS, NEXT-OF-KIN, ASSIGNS OR OTHER PERSONS IN INTEREST OF THE FOLLOWING DESCRIBED PROPERTY:

Name and Address of Owner	Description of Property	Name of Prior Holder	Amount or Value

(Insert complete listing in alphabetical order)

TAKE NOTICE that a complaint has been filed in this cause by the State Treasurer whereby he seeks to escheat the above listed property to the State of Connecticut.

YOU AND EACH OF YOU is advised to present your claim to any of the above-listed property to which you may be entitled within ninety days after the last date of the publication of this notice, said date being . . . ., 19. . .

FAILURE TO PRESENT YOUR CLAIM within the prescribed period will cause said property to escheat to the State of Connecticut as the absolute property of the state and all your right, title or interest thereto will be terminated.

Dated this . . . . day of . . . ., 19. . .

. . . . . .
State Treasurer
State of Connecticut
Room . . . .
State Capitol
Hartford, Connecticut

(d) Promptly upon the completion of such publication, the treasurer shall file a certificate thereof in the superior court.

(e) Any claim presented in response to such notice shall be considered as provided in section 3-71a.

(f) Repealed by P.A. 82-336, S. 2, 3.

Sec. 3-73. Claim. Appeal. Bond. Section 3-73 is repealed.

Sec. 3-73a. Excepted property. (a) The provisions of this part shall not apply to property covered by chapter 66 or section 15-76.

(b) No property shall be presumed abandoned if any person has had uninterrupted adverse use or enjoyment of it under claim of right for a period of fifteen years prior to January 1, 1962.

(c) The provisions of this part shall not apply to any specific property otherwise subject to the provisions of sections 3-57a, 3-59a, 3-59b, 3-60a, 3-61a, 3-62a or 3-65a held for or owing or distributable to or owned by an owner whose last-known address is in another state if such property is subject to escheat under the laws of such other state.

(d) The provisions of this part shall not apply to any property presumed abandoned or escheated under the laws of another state prior to January 1, 1962.

Sec. 3-73b. Effect of expiration of limitation periods. The expiration of any period of time specified by the general statutes or any court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or recovery of property, shall not prevent the money or property from being presumed abandoned property or affect any duty to file a report required by subsection (b) of section 3-65a or to pay or deliver abandoned property to the state treasurer.

Sec. 3-74. Payment of claim. Section 3-74 is repealed.

Sec. 3-74a. Rules and regulations. (a) The treasurer may make such rules and regulations as he finds necessary to administer and enforce the provisions of this part.

(b) The treasurer may enter into agreements with other states to exchange information needed to enable this state or another state to audit or otherwise determine unclaimed property that it or another state may be entitled to subject

to a claim of custody. The treasurer may require the reporting of information needed to enable compliance with agreements made pursuant to this section and prescribe the form.

(c) The treasurer may enter into agreements with other states providing for the exchange of property in any case in which the provisions of section 3-66b apply.

(d) The treasurer may join with other states to seek enforcement of this part against any person who is or may be holding property reportable under this part.

(e) At the request of another state, the attorney general of this state may bring an action in the name of the treasurer of the other state in any court of competent jurisdiction to enforce the unclaimed property laws of the other state against a holder in this state of property subject to escheat or a claim of abandonment by the other state, if the other state has agreed to pay expenses incurred by the attorney general in bringing the action.

(f) The treasurer may request that the attorney general of another state or any person in another state bring an action in the name of the treasurer in such other state. This state shall pay all expenses including attorney's fees in any action under this subsection. Payment of such attorney's fees may be based in whole or in part on a percentage of the value of any property recovered in the action. Expenses paid pursuant to this subsection shall not be deducted from the amount that is subject to the claim by the owner under this part.

Secs. 3-75 and 3-76. Record to be kept by treasurer. Application of other statutes. Sections 3-75 and 3-76 are repealed.